

# FISCAL NOTE

**Bill #:** SB0498

**Title:** Increase limit for loan to water users' association or ditch company

**Primary Sponsor:** Black, J

**Status:** As Introduced

Sponsor signature	Date	David Ewer, Budget Director	Date
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## Fiscal Summary

	<b><u>FY 2006 Difference</u></b>	<b><u>FY 2007 Difference</u></b>
<b>Expenditures:</b>		
General Fund	\$0	\$0
<b>Revenue:</b>		
State Special Revenue	\$30,000	\$161,100
<b>Net Impact on General Fund Balance:</b>	\$0	\$0

<input checked="" type="checkbox"/> Significant Local Gov. Impact	<input type="checkbox"/> Technical Concerns
<input type="checkbox"/> Included in the Executive Budget	<input type="checkbox"/> Significant Long-Term Impacts
<input type="checkbox"/> Dedicated Revenue Form Attached	<input type="checkbox"/> Needs to be included in HB 2

## Fiscal Analysis

### ASSUMPTIONS:

#### **Department of Natural Resources and Conservation (DNRC)**

1. State general obligation bonds are sold to finance renewable resource loans to water users associations and ditch companies.
2. The borrower pays the full cost of the loan - interest and principal.
3. The interest rate on the bonds is estimated at 5.37 percent per year, with the borrower making one payment per year.
4. There may be one \$3 million loan made in April, 2006.
5. There is a 1 percent closing fee, which equates to \$30,000.
6. With the borrower making one payment in December, 2006, the interest due on that payment is \$161,100.

### FISCAL IMPACT:

	<b><u>FY 2006 Difference</u></b>	<b><u>FY 2007 Difference</u></b>
<b><u>Revenues:</u></b>		
State Special Revenue (02)	\$30,000	\$161,100

**Fiscal Note Request SB0498, As Introduced**

(continued)

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

State Special Revenue (02)	\$30,000	\$161,100
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EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

This legislation may allow water user associations that contract for water from state-owned reservoirs and canals to pay a larger portion of a rehabilitation project thereby reducing the size of grants and direct appropriations for such projects. However, it is not possible to determine a dollar amount associated with this impact.